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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

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DOGMA  
MINERALS PROGRAM  
FILE COPY

November 19, 1990

TO: File

FROM: Anthony A. Gallegos, Reclamation Engineer *aa*

RE: Meeting Documentation, Akzo Salt of Utah, Inc.,  
M/045/030, Tooele County, Utah

On November 19, 1990, Messrs. Dan Bauer and Frank Bonell of Akzo Salt of Utah, Inc. (Akzo), met with Tony Gallegos and Wayne Hedberg at the Division of Oil, Gas and Mining (Division) office. The purpose of the meeting was to discuss general permitting issues with regard to Akzo's unpermitted salt operation located near Timpie, Utah.

Mr. Bonell indicated that the operation currently operates on leased and private lands. Royalties are currently being paid and permits for dam/dike construction were obtained from the Army Corp of Engineers. He was aware of no other regulatory or financial obligations which the company needed to meet. The operation consists of pumping water from the Great Salt Lake to a system of evaporation ponds, where the salt is then recovered. Mr. Bonell felt that this type of operation should not be considered a mining operation since the resource recovered (water from the Great Salt Lake) was renewable. He also stated that the majority of evaporation ponds are located on land leased from Amax (now known as MagCorp) and no reclamation obligations were contained in the lease agreement. He was not aware of this land ever being included in a mining permit. This operation was previously known as Sol Aire and came under the ownership of Akzo in 1988.

It was pointed out, that according to the definitions contained in the Minerals Rules, this operation was extracting a mineral resource and would be considered mining. It was also mentioned that the Rules applied to mining operations on private, state and public lands. The Division currently has permits or is pursuing a permit for other similar salt operations in the state. If Akzo wishes to contest this issue, they will need to request a hearing before the Board of Oil, Gas and Mining in accordance with the procedures in the administrative section of the Rules.

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Messrs. Bonell and Bauer were told that in order for Akzo to meet the requirements of the Rules, this operation would need an approved mine permit (Notice of Intention to Commence Large Mining Operations), Reclamation Contract, and Reclamation Surety. The mine permit information is used to evaluate/develop the reclamation plan and reclamation cost estimate. The Division's policy of using third party costs in calculating the reclamation estimate was mentioned, along with the various forms of acceptable surety for the reclamation cost such as escrow agreements, collateral bonds, t-bills, certificates of deposit and self-bonding. The Division does not use a defined dollars-per-acre reclamation cost in determining the adequacy of a reclamation cost estimate. The specific reclamation details are defined in the approved mining plan and reclamation contract. Structures or facilities with a viable post-mining use are not required to be reclaimed. Once a large mining plan is submitted and found to be acceptable by the Division, there is a 30-day public comment period followed by a board hearing to approve of the amount and form of surety. A mining plan may be amended or revised at a date after final board approval.

The meeting concluded with the understanding that Mr. Bonell and Mr. Bauer would discuss the permitting issues with their corporate office and inform the Division of the next steps they wish to take. A copy of the administrative section of the Rules and a self-bonding criteria sheet were provided to Mr. Bauer.

jb  
cc: Dan Bauer, Akzo Salt  
Ed Bonner, State Lands  
Wayne Hedberg, DOGM  
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